

THE SECRETARY OF THE NAVY
Washington, DC 20350-1000

SECNAVINST 5430.100
AUD-2
5 August 1987

SECNAV INSTRUCTION 5430.100

From: Secretary of the Navy
To: All Ships and Stations

**Subj: ASSIGNMENT OF RESPONSIBILITIES
TO THE DEPARTMENT OF THE NAVY
AUDITOR GENERAL**

**Ref: (a) SECNAVINST 5430.7L
(NOTAL)
(b) SECNAVINST 7510.7C
(c) Goldwater-Nichols DOD
Reorganization Act of 1986
(NOTAL)**

1. Purpose. To assign responsibilities to the Department of the Navy (DON) Auditor General and establish his relationship within the DON.

2. Background. References (a) through (c) assign basic responsibilities for internal audit within the DON. The Under Secretary of the Navy is responsible for DON internal audit through the Office of the Auditor General. The overall policies and procedures for internal audit in DON are clearly delineated and are in compliance with generally recognized audit standards as compiled and endorsed by the Comptroller General of the United States.

3. Policy.

a. Within DON, the internal auditing function is the responsibility of the Auditor General under the general direction and guidance of the Under Secretary of the Navy. No other entity or office within the Secretariat, within the Chief of Naval Operations (CNO) or Commandant of the Marine Corps (CMC) shall be established to conduct the Internal Audit function.

b. The Auditor General is the senior DON advisor to the Under Secretary of the Navy on all audit-related matters.

c. The Naval Audit Service under the direction of the Auditor General is responsible for conducting Internal Audit within DON. Audit coverage of appropriated and nonappropriated organizations, programs, activities, and func-

tions, including the internal review function, will determine whether: proper audit standards are maintained; DON information is reliable; resources have been safeguarded; funds have been expended consistent with laws, regulations, and policies; resources have been managed economically and efficiently; and desired program performance has been achieved. The Auditor General will be reimbursed for auditing nonappropriated fund instrumentalities and related activities.

d. Within the overall audit community, the Auditor General maintains continuous dialogue with the DOD Inspector General, sister services, and the General Accounting Office relative to audit matters. This relationship excludes the DON administrative responsibilities for processing and reacting to audit reports and recommendations from external audit sources.

e. The Auditor General will review audit services under DON contracts to ensure that such services are provided in accordance with contractual requirements and meet the audit standards promulgated by the Comptroller General of the United States.

f. The Auditor General can provide information and may provide assistance and support to the CNO and the CMC to enable them to discharge their duties and responsibilities.

JAMES H. WEBB, JR.
Secretary of the Navy

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